

APPENDICES

trading and usury capital in the village, that they are not in a position to carry through an agrarian reform of any wide significance.

Peasant domestic production and artisan production are more and more declining. The development of trade creates an important stratum of trading bourgeoisie, which fulfils also the functions of purchasing, usurer, etc. The predominance and hegemony of trading and, in the specific conditions of colonial economy, retards the growth of industrial capital. In the struggle for the internal market, [nations.] capital again and again encounters the competition of imported foreign capital in the colonial country itself and the retarding influence of pre-capitalist relations in the villages. In spite of these obstacles, there does arise in certain branches of production a native large-scale industry (chiefly light industry; National capital and national banks come into being and begin to develop.

The pitiful attempts at earning through agrarian reforms without damaging the colonial regime are intended to facilitate the gradual conversion of semi-feudal landownership into capitalist landlordism, and in certain cases to establish a thin stratum of kulak peasants. In practice, this only leads to an ever-increasing pauperisation of the overwhelming majority of the peasants, which again, in its turn, paralyses the development of the internal market. It is on the basis of these contradictory economic processes that the most important social forces of the colonial movements are developing.

14. In the period of imperialism, there stands out with especial prominence the role of finance capital in the seizure of economic and political monopoly in the colonies. This especially finds expression in the economic consequences resulting from the export of capital to the colonies. The exported capital here flows predominantly into the sphere of trade, it functions mainly as usurious loan capital and it pursues the task of preserving and strengthening the oppressive apparatus of the imperialist State in the colonial country (by the aid of State loans, etc.), or of achieving full control over the so-called independent State organs of the native bourgeoisie in the colonial countries.

The export of capital to the colonies accelerates the

development of
capitalist relations in them. A portion of the exported
capital, despatched
to the colony for productive purposes, does in part conduce
to an accelera-
tion of industrial development; by no means, however, in
the direction or
independence, but rather in a direction which strengthens
the dependence
of colonial economy on the finance capital of the
imperialist country.

In general, imported capital is concentrated in the
colonies almost ex-
clusively for the extraction and supply of raw materials, or
for the first stages
of their utilisation. Export capital is used also for extending
the system of
communications (railways, ship-building, harbour -works,
etc., etc.), thus,
facilitating the transport of raw material and binding the
colonies more
closely to the metropolis. A favourite form of investment of
capital in agri-
culture is in large plantations, with the object of cheap
production of food